



# ***Daily Report***

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## **Latin America**

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FBIS-LAT-96-067  
Friday  
5 April 1996

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April 1996

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# Daily Report

## Latin America

FBIS-LAT-96-067

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## Cuba

### Cuba: Official Comments on Migration Accords, ICAO Probe

PA0404230796 Havana PRENSA LATINA in Spanish  
1957 GMT 4 Apr 96

[FBIS Translated Text] Havana, 4 Apr (PL) — The Cuban Foreign Ministry said today the migration agreements signed with the United States are being faithfully complied with and there is no fixed date for a new round of talks on the issue for the time being.

Cuban Foreign Ministry Spokesperson Marianela Ferriol said in her usual weekly news conference that the time between meetings is growing due to the progress achieved with these agreements.

There is absolutely no concern about the lack of a fixed date for the next bilateral meeting, she said in reply to a question from a foreign correspondent.

Moreover, Ferriol announced that the investigation conducted in the country by a delegation of the International Civil Aviation Organization (ICAO) had concluded. The investigation dealt with the 24 February downing of two airplanes that violated Cuban airspace.

Cuba provided all the necessary cooperation to the ICAO mission, but we cannot give details on its stay in our country because we respect the rules established by the organization for this type of case, she emphasized.

The investigation began on 25 March but the spokesperson abstained from revealing the date it ended, according to the policy of discretion requested by the ICAO.

Ferriol said the Foreign Ministry considers important the results achieved in a tour that First Vice Foreign Minister Jorge Bolanos recently carried out through various Latin American countries. In his tour he met with officials in Argentina, Brazil, Bolivia, Colombia, Chile, Mexico, Uruguay, and Venezuela.

The tour served to outline our arguments on the 24 February events, and they were received as an important contribution for a much more complete analysis of the incident. It also served to exchange views on the Helms-Burton law goals and relations between Cuba and the United States, she concluded.

### Cuba: Robaina Says Election Year Influenced U.S. Law

PA0504033796 Havana PRENSA LATINA in Spanish  
0257 GMT 4 Apr 96

[FBIS Translated Text] Caimito, Cuba, 3 Apr (PL) — Foreign Relation Minister Roberto Robaina affirmed today that the current presidential election year in the

United States influenced the approval of the Helms-Burton law and believes that it is naive to think that an act in defense of Cuban sovereignty prompted that decision.

During an exchange with over 400 participants of the Third Latin American and Caribbean Friendship and Solidarity with Cuba Meeting, held in Caimito in Havana, Robaina said that in every U.S. presidential election year there is a recrudescence of hostilities against Cuba.

Asked whether the downing of two U.S. pirate airplanes by the Cuban Air Force on 24 February was the spark that caused the U.S. Government to pass the Helms-Burton law, Robaina replied that one cannot be so naive as to believe that a basic act in defense of Cuba's sovereignty provoked this new aggression.

The downing of the airplanes was not an extreme decision, because the duty to defend a nation's sovereignty must be accepted with all its consequences, or one has to pay a greater price for failure to assume one's duty, Robaina said. Robaina recalled that "Cubans tried, with infinite patience, to dissuade them, to persuade them to stop these provocations."

Robaina emphasized that Cubans "have observed for 35 years, that during U.S. presidential election years, if it means getting votes, especially in Florida, all politicians have resorted to buying voters in exchange for threats and actions against Cuba."

Robaina urged his listeners to review recent history. He mentioned that in the Sixties, President John F. Kennedy had to accept the planned Bay of Pigs Invasion, to which his predecessor President Eisenhower was already committed.

What happened to Johnson, Nixon, and Ford, Robaina asked. He immediately mentioned an upsurge of terrorist groups, air and naval piracy, plans to assassinate Cuban leaders, which led to what Robaina defined as the repugnant sabotage of a passenger airplane in Barbados, one month before the 1976 presidential elections.

Robaina added that during the last months of the Carter administration, with the so-called MiG's crisis and the Mariel exodus, did anyone doubt the connection of these events with the 1980 race for the White House of the sorrowfully remembered Ronald Reagan, who stated in his Santa Fe electoral program his will to destroy Cuba.

When was the anti-Cuban mafia lobby born, which now fills positions in the U.S. Congress, if not during the 1984-1985 election campaign in which Reagan was reelected, Robaina continued.

Likewise, Robaina asked if his fellow countrymen could possibly forget that the first legislative attempt to strengthen the blockade in recent years occurred during the 1988 elections with an amendment that is the forerunner of the current law, which the entire world rejects and which at that time did not succeed.

Robaina called on Latin America and the Caribbean not to lose sight of the fact that President William Clinton, who recently signed the proposal of Republicans Helms and Burton, was the one who, competing with George Bush for the presidency, supported the promulgation of the Torricelli Amendment with its tracks of war and subversion.

Cubans have a lot of experience with U.S. electoral campaigns. We are experts regarding presidential periods, elections, and we have never believed in promises made to win a second term in office, because then it becomes almost pathological to resort to political chicanery at Cuba's expense, Robaina emphasized.

Robaina believes that it is absurd "that the Congress and the president of a nation that powerful fail to recognize the dangers toward which they are being dragged by the extreme right-wing in Congress and that in foreign affairs they act like the common hostages of a Mafia feeding on the criminal hatred of the Batista dictatorship and defeated large estate owners."

Robaina recalled that in the last two years, there has been a clear tenfold increase in violations by airplanes and ships that have illegally entered Cuban airspace and jurisdictional waters, over which Cuba exercises sovereignty, under the guise of humanitarian and civil acts of all kinds.

Robaina added that in open defiance of international laws, these machines have endangered the security of hundreds of civilian aircraft that fly over the area each day and culminated their provocations by flinging anti-constitutional propaganda over Havana in broad daylight.

Robaina spoke at length that under a civilian facade, the transgressors have defied Cuban air defenses, spied on military installations, and groups with terrorist intentions have attacked in Cuba defenseless groups of people, economic targets, tourist installations, plantations, and the nations's leaders.

#### **Cuba: Health Minister Meets With Nationals in Washington**

PA0504044996 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 5 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] Cuban Public Health Minister Carlos Dotres, who is visiting the United States, has met with a group of Cubans living in the U.S. capital. They are interested in the national reality and health issues pertaining to the island. Approximately 100 people from various U.S. sectors joined this group, as well as directors and officials of the Pan-American Health Organization, PAHO. In the next few days, Minister Dotres and the delegation he heads will honor a number of invitations the PAHO extended in New York City.

#### **Cuba: Bank Director Arrives in Vietnam on Official Visit**

PA0504004696 Havana PRENSA LATINA in Spanish 1751 GMT 4 Apr 96

[FBIS Translated Text] Hanoi, 4 Apr (PL) — Francisco Soberon, minister president of the National Bank of Cuba (BNC), today began an official visit to Vietnam, which he predicted "will be highly useful." He made that statement shortly after his arrival in this capital.

"I am totally convinced that our visit here will be particularly useful, because of Vietnam's success and the wisdom of this nation," Soberon said to Le Van Chau, vice governor of the Vietnamese State Bank, who welcomed him.

"It is a great honor for any Cuban to visit this nation, because we care for this country as we do for our own."

Soberon arrived in Hanoi from Italy, his last leg in a tour of European states that also included France, Spain, and Belgium.

The top Vietnamese official informed Soberon that tomorrow he will be received separately by Prime Minister Vo Van Kiet and State Bank Governor Cao Sy Kiem.

Soberon will be in Vietnam for one week, accompanied by BNC Deputy Director Sergio Placencia.

In addition to his meetings with Vietnamese state bank officials, Soberon will have an intensive agenda, including visits with bank experts in various branches in the provinces of Quang Nam-Da Nang and Thua Thien-Hue in the country's central region.

In addition, he will travel to Ho Chi Minh City (formerly Saigon), where he will meet and exchange views with

Le Thi Ngot, vice governor of the state bank, who lives in that city, Vietnam's main economic and financial center.

Saturday afternoon, Soberon will meet with approximately 30 directors of Vietnamese companies representing the banking, import, and export sectors, industries, telecommunications, agricultural production, consumer goods, and foreign trade sectors, and centers of economic study.

Soberon and Placencia were also welcomed at the airport by Cuban Ambassador Tania Maceira Delgado and Antonio Luis Carricarte Corona, the Cuban Embassy's economic and commercial counselor.

**Cuba: Russian Duma Delegation To Arrive 4 Apr**

PA0504045296 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 5 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] A delegation from the Duma, which is the Russian parliament, will arrive in Havana on the evening of 4 April. The National Assembly of the People's Government invited this delegation, which will remain in the country until 11 April. Deputy Vitaliy Sebastiyonov, president of the Duma Mandate Commission [Comision de Mandato], is heading the group.

**Cuba: Bahamas Returns 26 Illegal Immigrants**

PA0504120796 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 5 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] Approximately 26 Cuban illegal immigrants have arrived in Havana from Bahamas. Gladys Rubio reports:

[Rubio] The group of illegal immigrants Bahamian authorities returned to Cuba consists of 26 people, including two women and a child. With this step, the Bahamas and Cuba have implemented what was agreed on in the memorandum of understanding the two governments signed on 12 January.

These 26 people used to live in the provinces of Las Tunas, Camaguey, Villa Clara, and Holguin, where they will be sent after meeting compulsory legal requirements and undergoing a medical checkup.

According to what was leaked, other groups of illegal immigrants will continue to arrive, including approximately 30 people who arrived in Bahamas recently.

**Cuba: Caribbean Businessmen Sign Trade Agreements**

PA0504024696 Havana PRENSA LATINA in Spanish 0509 GMT 4 Apr 96

[By Dihur G. Tchmalesso]

[FBIS Translated Text] Havana, 4 Apr (PL) — Caribbean businessmen, mostly members of the Caribbean Common Market (Caricom), have signed preliminary agreements with their Cuban counterparts to increase regional trade and investments.

The agreements encompass such sectors as textile, clothing, food, petroleum and byproducts, metal, manufacturing, and banking. These sectors had exhibits at the five-star Melia Cohiba Hotel in Havana for three days.

Caricom's first economic mission held meetings during that period. The mission was sponsored by the Agency for the Development of Caribbean Exports [Agencia para el Desarrollo de la Exportaciones del Caribe — ADEC], which is headquartered in Barbados and is in charge of promoting trade in the Antilles.

Referring to the first meeting between the Caribbean businessmen and the Cuban corporations, ADEC Executive Director Earle Baccus told PRENSA LATINA that it had been very successful.

Many of the participants unexpectedly were able to sign agreements with local companies and others hope to reach similar agreements in the near future, Baccus said. He presided over the opening session and coordinated the high-level contacts here.

I am very pleased with the results of this mission. We have received support from various state institutions, including the Foreign Trade Ministry, the Foreign Ministry, the Chamber of Commerce, and the Cuban Export Promotion Center, he added.

Everything has gone well, as I have been able to confirm in my talks with the Caribbean businessmen, who brought samples of their products and who are now ready to return to this country to participate in the Santiago de Cuba Fair (Expocaribe), scheduled for June, Baccus said.

If we bear in mind the visitors' great interest in expanding commercial and economic ties with Cuba, which is increasingly opening up to the Caribbean, we can predict there will be greater interaction in the entire region from now on, Baccus added.

I would like to thank the European Union, which is encouraging us to get closer to Cuba. That integrationist bloc of the old continent also wants to improve its relations with Havana, he said.

We hope Havana will soon join the Caribfor [expansion unknown], an institution that groups the Caricom member states and which Haiti and the Dominican Republic have joined to receive special treatment from the EU by virtue of the Lome Convention, Baccus said.

**Cuba: Fidel Castro Visits Mills in Camaguey, Las Tunas**

PA0404232196 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 3 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] On Monday afternoon, Commander in Chief Fidel Castro visited the Brasil sugar mill in Camaguey Province, one of the territories that is feeling a strained situation in meeting its sugar production goal. Fidel agreed with the strategy of sugarcane officials in Camaguey who intend to save the sugarcane left at the Brasil sugar mill by turning over the grinding duties to other mills in that province as well as in neighboring Ciego de Avila.

Officials took into account the impossibility of processing the cane in that factory because of industrial problems and because of heavy rains and cane transportation problems. Authorities expect to receive assistance for the transportation of the cane from the Uruguay mill in Sancti Spiritus, which could allow them to finish their work no later than the first 10 days in May.

On Monday morning, Fidel toured the Antonio Viteras and Argelia Libre sugar mill in Las Tunas Province. Interested in learning about the progress of the sugarcane harvest at the Viteras mill, one of the country's giant mills, the commander in chief witnessed the work being done at the control and analysis room and other areas.

Yields of 12.28 percent achieved in the last four days with an 87-percent recovery rate shows the way in which this industry is beginning to recover following the damage caused by the recent rains in the eastern province. The Antonio Viteras mill workers told the revolutionary leader that they are determined to grind 1 million arrobas of cane, for which conditions already exist. Similar conditions were seen at the Argelia Libre mill's CAI [Industrial Automation Center] in Manati, where work is still suspended because of the high humidity but which has been called upon to wage a strong offensive once the situation allows it.

During his tour, Fidel witnessed the determination of the Cuban sugarcane workers to overcome all difficulties and to efficiently fulfill the sugar production plan.

**Cuba: Provinces To Assist Sugarcane Harvest in Camaguey**

PA0504012196 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 4 Apr 96

[Report by Ernesto Pantaleon Medina; from the "NTV" newscast]

[FBIS Translated Text] During President Fidel Castro's recent visit to Camaguey, a new strategy, which includes assistance from other provinces to develop the sugarcane harvest in that region, was drafted.

Carlos Diaz Barranco, first secretary of the party in Camaguey gives the details. Camaguey residents aim at harvesting more than 1.4 million arrobas of sugarcane each weekend of April with daily mobilizations and to produce approximately 450,000 tons of sugar in order to comply with the province's goal by the beginning of May. Today, with 13 million arrobas less of sugarcane, there is more sugar produced than in the whole previous campaign. This indicates higher levels of efficiency. However, a new strategy was implemented.

[Begin Barranco recording] In fact, in the northern region we are trying to rescue the surplus sugarcane from the Brasil sugar mill. In order to avoid the problems that sugar mill faces with the sugarcane and not to risk the production, 23 million tons of sugarcane will be taken, leaving 17 million tons of sugarcane for the Brasil sugar mill to grind. The idea is for the Bolivia and 1st January sugar mills in Ciego de Avila to grind part of those 23 million tons of sugarcane. Another part will go to the Noel Fernandez and Sierra de Cubitas sugar mills. [end recording]

In the southern region, the creation of the Alejandro detachment has been decisive; with 10 sugar combines it has produced up to 200,000 daily arrobas of sugar.

[Begin Barranco recording] In the southern region, the Alejandro detachment and resources from the Candido Gonzalez sugar mill will support the Suarez Gayol sugar mill. Today, Siboney sugar mill is already supporting the Panama sugar mill. Cutters from Mola sugar mill will come to help harvest the sugarcane from the Brasil sugar mill that will be sent to Sierra de Cubita's sugar mill. Moreover, reinforcements from the Uruguay sugar mill in Sancti Spiritus will go to Brasil sugar mill.

Therefore, April, as usual will be a victorious month. April is a decisive month for Camaguey's harvest as well as for that of the entire country. [end recording]

**Cuba: Havana Plant Produces Lamp Tube Transformers**

PA0404231196 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 3 Apr 96

[Report by Marta Moreno; from the "NTV" newscast]

[FBIS Translated Text] The Brigadier General Francisco Cruz military industrial plant in Havana Province allocates a sizeable share of its production for the solution of problems in the civilian sector.

The manufacturing of 20- and 40-watt transformers for fluorescent or cold tubes, as they are commonly known, is one of the most outstanding productions. Following a revival of the industry late last year, they were able to manufacture 92,000 of these high-quality transformers.

[Begin unidentified plant official recording] Our product is guaranteed to last 10 years. It meets European standards, and we are currently trying to adopt the [words indistinct] norms, thereby guaranteeing our product's quality. [end recording]

The plant's production is fundamentally used to replace imports and to supply the National Lamp Tube Assembly plant, which provides assistance to social institutions.

This plant, which produces transformers for cold tubes, is the only one in the country. It operates on Spanish

technology of proven quality in the international market. The [words indistinct] are tested under severe conditions to guarantee their durability. It turned out to be the best military plant in the country, among other things, because of its management efficiency.

For this year, they expect to produce some 300,000 transformers and seek a better position in the national market.

**Haiti**

**Haiti: Preval, Legislators Discuss Budget, Economy**

PA0404204696 Port-au-Prince Signal FM Radio in French 1130 GMT 4 Apr 96

[From "The Waking Up Newscast"]

[FBIS Translated Text] Budget and privatization are the central themes of a meeting between Rene Preval and certain Haitian legislators. At the meeting, which began on the afternoon of 4 April, they agreed on the need to speed up the process for the implementation of the economic reforms, and for the approval of the budget of the Republic. The vote on the budget has been delayed for several months at the Haitian Parliament, especially at the lower chamber.

### **Mexico: Zedillo Sends Letter to Clinton on Brown's Death**

PA0404141596 Mexico City XEW Television Network in Spanish 0400 GMT 4 Apr 96

[From the "24 Hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo tonight sent a letter to U.S. President William Clinton that reads:

Dear Mr. President. With deep sorrow I have received the news of the death of U.S. Secretary of Commerce Ronald Brown and the other U.S. citizens who were traveling with him. I would like to express to you and the families of Mr. Brown and those who were accompanying him our profound condolences for this terrible loss.

Through the many contacts between our governments, Mr. Brown always has shown appreciation and respect for Mexico. His work as secretary of commerce not only has contributed to promote better understanding between our nations but also has favored fluid and constructive dialogue between the government representatives of both countries.

Will you please convey to Mr. Brown's relatives our grief over this regrettable incident? Ron Brown was a good friend of Mexico.

I avail myself of this opportunity, Mr. President, to reiterate to you my highest, personal respect and esteem.

### **Mexico: Cuba Asks Congress To Condemn Helms-Burton Law**

PA0404235696 Mexico City EL FINANCIERO in Spanish 2 Apr 96 p 30

[Report by Victor Chavez]

[FBIS Translated Text] Yesterday, the Cuban Government asked the Congress of the Union to support Cuba by condemning the Helms-Burton law, because the effects of that measure on the Cuban people have been and will be extremely disastrous.

During a meeting with Mexican deputies and senators at the San Lazaro Legislative Palace, Cuban Deputy Foreign Minister Jorge Bolanos also asked the parliamentarians to support Cuba by including the topic of the Helms-Burton law on the agenda of the upcoming interparliamentary meeting slated for 15 to 20 April in Istanbul, Turkey, to be attended by 120 legislators from around the world.

Four Mexican legislators will fly to the meeting: two from the Institutional Revolutionary Party, one from the

National Action Party, and another from the Party of the Democratic Revolution.

The Cubans also asked for Mexico's support to include the law in the discussions to take place during the upcoming assemblies of the WTO.

Bolanos, in the meantime, said that the government of Fidel Castro is guaranteeing the conditions for any investments from around the world that wish to come to Cuba despite the disastrous social impact of the Helms-Burton law on his country.

The official described his meeting with the Mexican parliamentarians as positive and very significant. He also expressed gratitude for the Mexican Government's support in rejecting the Helms-Burton law.

An agreement was signed during the meeting in which Mexico pledged its total support to Cuba. The same occurred in seven other countries visited by Bolanos.

On another note, representatives from 12 countries met in Havana to attend the Third Latin American and Caribbean Meeting of Solidarity and Friendship with Cuba in opposition to the Helms-Burton law, recently approved by the U.S. Congress which tightens the economic blockade on Cuba.

Delegates from Mexico, Venezuela, Panama, Colombia, Peru, Brazil, Paraguay, Argentina, Puerto Rico, Guatemala, Martinique, and Dominican Republic will attend the meeting until 7 April.

### **Mexico: Consul in U.S. Comments on Incident With Illegals**

PA0404201196 Mexico City XEW Television Network in Spanish 0400 GMT 4 Apr 96

[Interview with Consul Jose Angel Pescador by reporter Mario Lechuga in Los Angeles, California; date not given; from the "24 Hours" newscast — recorded]

[FBIS Translated Text] [Lechuga] What steps has the Mexican Consulate in Los Angeles, which you represent, taken at the government level to find a solution, to prevent similar incidents, and to put an end to these instances?

[Pescador] We have given attention to our fellow countrymen who were beaten up and detained; that was our main priority. Immediately thereafter, we presented a formal protest before the authorities of the Riverside Sheriff's Office who were directly involved in the incident, as they were the ones who have mistreated and violated the human rights of these individuals.

[Lechuga] Why and how did this incident happen?

[Pescador] According to the initial explanation we have received from immigrations authorities, which we have not made public yet, after an inspection conducted at the [word indistinct] checkpoint, border patrol agents followed a vehicle in which a number of individuals who they assumed were illegal aliens was traveling. The vehicle was followed at a certain distance, but when it started to speed up, the patrol agents requested assistance from the Riverside sheriff, a procedure which is normal. That is how the main problem began, because the persecution continued and because of the misconduct of the officers in handling what should have ended in detention like many others.

[Lechuga] How many Mexicans were abused, and were their rights not respected?

[Pescador] Basically three. Although one of them received fewer blows, Enrique Funes and Leticia Gonzalez, which are the ones we can see better in the video, are the most dramatic cases. We talked with Leticia in this office yesterday. She told us things she had not mentioned to the media; that is, her suffering, anguish, and desperation, and, above all, her urgent need to contact her relatives. Fortunately, we have contacted them, and she was able to talk with her sister, and her parents were informed of her condition. We also contacted her brothers this morning.

[Lechuga] How serious were the blows suffered by Mrs. Gonzalez?

[Pescador] I cannot give you a medical report, but I noticed some physical signs, especially the fact that she has some difficulty in straightening up and walking, probably as a result of the blows she received on her back.

[Lechuga] Will a lawsuit be filed? There should be some kind of compensation for these types of abuses.

[Pescador] She has a lawyer, David Ross, whom she selected the same day of the incident. We have given him all our cooperation, and we have offered him total support from the Mexican Consulate, as in all similar cases, to fulfill his duties. We are not taking part in this lawsuit, except to make sure the process is duly conducted. She felt this support yesterday when I conveyed to her the solidarity of many organizations and people who were here waiting to see her, and I told her of the many telephone calls we have been receiving. She also has a right to receive economic compensation. She can demand it, and I think her lawyer will do so through a civil lawsuit.

[Lechuga] What is the situation of this group of Mexican illegal aliens including Mrs. Gonzalez? Will they remain

here, will they be deported, will they be tried? What will happen to them?

[Pescador] They are all Mexicans—someone asked me that question—very young people who were seeking jobs. Some will leave voluntarily. None of them will have a police record; it is very important to mention this point. They know they will be sent to the border the moment immigrations authorities offer them the opportunity to leave voluntarily by signing a document, and there will be no record of their illegal entry into the United States. We will ask three or four individuals, however, to remain as witnesses during the trial that will take place due to its importance for all illegal aliens and immigrants. This case is a criminal one.

#### **Mexico: Authorities Begin Voluntary Repatriation Program**

PA0504004796 Mexico City LA JORNADA  
in Spanish 4 Apr 96

[Report by David Aponte — received via Internet]

[FBIS Translated Text] The Foreign Relations Secretariat (SRE) has reported that Mexican and U.S. immigration authorities yesterday started the *Heartland* [Tierra Adentro] pilot program for the voluntary repatriation of those Mexicans who live near their places of origin with the transfer of 13 compatriots of legal age to Guadalajara, Jalisco State, from San Diego, California. The objective of the binational program is to guarantee an orderly, safe, and dignified return of Mexican immigrants to the national territory. The Washington government will pay their air transportation and those expenses resulting from the transfer from a Mexican airport to a place near the repatriated Mexicans' homes.

In a communique, the secretariat stated the following: "Our country's government has made sure that these actions strictly comply with Mexican laws and contribute to bringing together the families that have become separated due to the migration of some of their members.

"With this, we stress that the program is the result of a binational agreement, the firm objective of which is to benefit those Mexicans who voluntarily wish to return to their places of origin and have no resources to do so, thus being left exposed under inadequate conditions at the border regions."

The *Heartland* program was the result of talks held by the Binational Immigration Affairs Group. Mexican and U.S. officials met twice — in Zacatecas and Washington — prior to finetuning the program's operational details.

Thus, the SRE pointed out that 13 fellow nationals — all males over 22 — returned to Guadalajara yesterday.

The secretariat explained that the implementation of the plan is subject to the following rules: it is voluntary and applies only to people over 18 years of age who have committed no crimes in U.S. territory or who have not violated U.S. immigration regulations more than once. The return will be in commercial or chartered Mexican planes, and the two countries will be in charge of setting the dates and destinations. For the implementation of the program, INS agents will play a tape in Spanish for Mexican illegal aliens on the option of participating in the plan. Once they voice their interest in being repatriated, consular representatives will issue documents corroborating the illegal aliens' nationalities.

"The voluntary participation in the program is not subject to any condition whatsoever. Those who do not voice their interest in being repatriated will be prosecuted according to INS regular procedures, which consist of letting the illegal aliens leave the country from any border area of the national territory or opting for deportation hearings."

In principle, the INS expects to repatriate 5,000 Mexicans through this program, which was signed on 26 September 1995 in Washington.

**Mexico: CT, Deputies on NAFTA, 'National Interests'**

PA0404152596 Mexico City EL FINANCIERO  
in Spanish 2 Apr 96 p 3

[Report By Victor Gonzalez]

[FBIS Translated Text] The Labor Congress [CT] and deputies from the four factions represented in the Chamber of Deputies have cautioned that NAFTA "cannot be above national interests" and have called for reviewing the participation of foreign investments in the Retirement Fund Administrations [Administradoras de Fondos para el Retiro — Afores]. The FSTSE [Trade Unions Federation of Government Workers] has demanded a prompt and clear definition of the situation.

The CT wonders "why state employees have been included if the funds being reviewed are those of the workers regulated by letter 'A,' not letter 'B,' of Constitutional Article 123."

Leaders of various labor organizations headed by CT President Rafael Rivapalacio Pontones have asked the authorities to be consistent, especially when domestic savings that incorporate the participation of foreign investors may depend on foreign decisions in "a very near future."

Labor leaders and deputies have exclaimed almost in unison that "banks must not participate" in Afores or

Sifores [expansion unknown] because the fact is that their participation in the managing of public resources "has been worse than poor," to the detriment of the country as a whole.

Labor leaders from bank unions, telephone workers, Social Security, and Fonacot [National Fund for Development and Guarantee of Workers Consumption], among others, insist that the administration board of Afores must include labor representatives, because that board will be administering "the resources they will have in the future, when they get old."

It was agreed in a joint session of the Finance and Labor Commissions of the Chamber of Deputies that no foreign agreement can be above national interests, and, therefore, it was requested that a detailed analysis be made on the participation of foreign capital in the administration of retirement funds.

The chairman of the Finance Commission, Institutional Revolutionary Party Deputy Francisco Suarez Davila, has said Finance Secretary Guillermo Ortiz has been more susceptible and has announced that there will be meetings with legal experts and NAFTA experts in a few days to reach an agreement on the feasibility of foreign investments in Afores.

In general, the labor leaders who went to the San Lazaro Legislative Palace spoke in favor of creating a public, single, and tripartite Afores to be managed by the Social Security Institute. The labor leaders once again have rejected foreign investment but have insisted on expanding their representation at the governing body of Consar [National Commission of the Retirement Savings System] and on an "effective" labor sector representation in Afores and Sifores.

Rafael Rivapalacio has rejected that labor representatives are planning to participate in the governing board of the Afores in exchange for permitting foreign investments there. Rivapalacio has said: "One thing has nothing to do with the other," adding that NAFTA is very clear in stating that "social welfare is out of all negotiations."

Meanwhile, Francisco Hernandez Juarez, leader of the telephone company workers, has insisted that working through general consensus is the best way to counter the pressures and traps to which these workers and services are openly being exposed. He added that it is up to the Mexicans alone to decide on the effective utilization of these services and workers so they will be the true pillars of the sovereign development of their country.

**Mexico: Drug Legalization Seen as 'Remedy'**  
96CA0154A Mexico City REFORMA in Spanish  
1 Apr 96

[Commentary by Jose Antonio Crespo: "Drug Traffic: Irreversible Damage" — received via Internet]

[FBIS Translated Text] The governments of Mexico and the United States are ready to intensify their cooperation to fight the drug traffic: First, it was claimed that joint military maneuvers would be conducted. Later, nothing was agreed except that Mexican troops would go to the other side of the Rio Grande to receive training. In any event, the effort expended for that purpose is doomed to fail. After several years of experience, it has become evident that the war against the "narco" is lost, and that it is not the best means of combating drug addiction.

The statistics used by the U.S. Government itself show that there are palpable results from the effort to reduce the demand for drugs, whereas there has been no significant progress in combating the supply. In fact, any cartel could disappear, several kingpins could be captured, and fields of coca and marijuana could be burned, but in any case the demand in the United States would be fully met. The ban on drug trafficking and consumption, far from resolving the issue of addiction, only generates a greater problem, which also hurts not only consumers but, in one way or another, the entire populations of the producing and transit countries. The battle against the "narco" is translated into street violence, corruption of officials, involvement of business firms and financial centers, etc. If there were positive results from the ban, then all this would make sense; but the battle against the "narco" has proven not to be of much use.

The solution to (or at least the control of) drug addiction consists of reducing the demand. The remedy for the trafficking problem lies in legalizing drug production and distribution. Those with this view are becoming increasingly numerous, especially in the Latin American countries, which are the ones directly hurt by the war against the "narco." The wasted resources used to curb the supply of drugs would have far better results if they were allocated to reduce the demand. In fact, the battle against the drug traffic has proven so useless and irrational that, sooner or later, legalization will gain recognition as the best option for coping with the problem.

But, the longer it takes to attain legalization, the more difficult it will be to rehabilitate the societies damaged by the battle against drug trafficking. In fact, it could be claimed that, just as certain drugs cause irreversible harm to those consuming them, the drug traffic also

inflicts irreparable harm on the social institutions of the countries in which it is being fought. The corruption of police and military authorities, courts, etc., can reach enormous levels and, to that extent, it is vitally damaging to those institutions. The "narco" tentacles are increasingly managing to penetrate more deeply, and on higher levels of the structures of economic and political power. In fact, they have already come very near to the presidential institution in Latin America, as shown by Raul Salinas' close connection with Juan Garcia Abrego, and by the "narco-scandal" in Colombia.

As the "narco" deepens its institutional penetration, the kingpins will have a greater capacity to influence the centers of power and, indirectly, to make decisions that would hurt the entire society. The disadvantage is that, as a group, they are not, and will not be institutionally answerable to anyone. The fact that a few kingpins have been put behind bars does not change the corrupting force of the "narco" at all. New kingpins and new cartels will crop up like ivy in the jungle, and will continue to corrupt the institutions involved in fighting them. So, the more efforts are made to combat the drug traffic, the worse it will be for the societies in which that battle is being waged: that is, in Latin America. Its weak democracies will have been penetrated by the "narco," undermining their political and legal potentialities. As we have observed, the Latin American "narco" is capable of assassinating attorneys general and presidential candidates, or else "cooperating" generously in the electoral campaigns of governors and presidents.

The U.S. Government insists on pressuring the Latin American countries to assume the enormous cost entailed by the head-on war against the "narco," but it is careful not to unleash that battle within its own borders. And the Latin American governments, for their part, find themselves powerless for making the decision to legalize drugs so long as the United States will not permit it. It may be utopian as a proposal, but it would be beneficial if a Latin American front in favor of legalization were formed, because that is more responsive to our peoples' interests. And we should let the Americans concentrate their efforts and resources on reducing the demand for drugs in their own territory. Of course, so long as the United States is not convinced that this is the best option, it will fight with all its force any initiative to legalize drugs in the Latin American countries, so that we will be the ones paying the costs in blood, violence, and corruption entailed by that absurd war. However, the damage that it causes could prove irreversible.

**Mexico: U.S. 'Pressure' Spurs Laundering Probes**

96CA0154B Mexico City LA JORNADA in Spanish  
28 Mar 96

[Report by Roberto Gonzalez Amador — received via Internet]

[FBIS Translated Text] The Mexican Government has opened 10 investigations against business firms and private individuals suspected of engaging in money laundering operations in the country to legitimize funds obtained from illegal activities, primarily the drug trade.

Although it did not identify those suspected, arguing that the investigation is in progress, the Secretariat of Finance and Public Credit (SHCP) confirmed the existence of 10 charges. It indicated that the criminal complaints were submitted to the Attorney General's Office (PGR), so that it might conduct the investigation and, if necessary, begin the judicial process against the suspects.

The department noted that the presumable laundering crimes were detected as part of a permanent program to prevent and combat transactions carried out with illegally procured funds.

The SHCP also reported that it had achieved "positive results" in two investigations coordinated with the United States Government. It commented: "The names of those involved in these cases cannot be revealed, so as not to interfere with the investigations. But in both cases a convicting verdict was issued in the United States."

During the past few weeks, there has been stronger pressure from the U.S. Government to force the Mexican authorities to intensify the prosecution of crimes related to the laundering of money obtained from criminal activities. The U.S. official in charge of the battle against drugs, Barry McCaffrey, who is concluding a three-day visit to Mexico today, requested of the Finance Secretariat and the PGR "greater cooperation" in fighting the drug traffic and, consequently, counteracting money laundering.

The SHCP remarked that in recent weeks there has been a heightening of the international cooperation for this purpose, based on various international treaties (agree-

ments on mutual legal assistance, and an agreement on mutual cooperation made with the United States to combat the international laundering of money used in illicit activities or derived from said activities).

It also reported that there has been an intensification of the "effective" cooperation with the Federal Public Prosecutor's Office for the exchange of tactical, program-related, operational, and strategic information, "with an increase in investigations conducted on the subject."

The Finance Secretariat participated in the bill to improve the legal framework for the prevention, detection, and fighting of money laundering, which was submitted by the Executive Branch to the Congress in the form of a draft law, about the middle of this month.

In that document, the Mexican Government admits that organized crime is currently demonstrating greater effectiveness against the various state control facilities. It maintains: "Mexico, like other countries, is frequently overwhelmed, and observes the health of its inhabitants threatened by the onslaughts of a phenomenon of great magnitude and complexity."

The PGR estimated that the drug trafficking groups operating in Mexico obtained a gross income of \$30 billion in 1994.

According to private analysts, the criminal groups operating in Mexico are using scores of business firms as a cover for laundering approximately \$8 billion every year: the proceeds from illegal activities.

The purchase of government bonds, and the transfer of dollars from the United States to Mexico, which are then deposited in different accounts and later transferred electronically to Europe or South America, are some of the devices used to launder the profits accrued through illicit means, according to private sources who were consulted.

The State Department recently reported that Mexican and Colombian drug traffickers have purchased companies in the construction and cement industries, as well as factories and other businesses in Mexico City, to launder their financial transactions. They also make investments in the Mexican Stock Exchange for this purpose.

### El Salvador

#### El Salvador: NAFTA Parity Talks Delayed for U.S. Elections

PA0404190696 San Salvador EL DIARIO DE HOY  
in Spanish 2 Apr 96 p 15

[Report by Marvin Portillo]

[FBIS Translated Text] According to a member of the U.S. Chamber of Commerce, the U.S. primaries currently taking place, and the budget problems President Clinton's administration is confronting, make it very unlikely that Congress will approve NAFTA parity benefits for those goods originating from the Caribbean basin countries.

John Howard, international policy director of the U.S. Chamber of Commerce which is located in Washington, stated that "the budget problems the U.S. Government is currently confronting will translate into commercial difficulties for the Caribbean Basin countries."

Howard took part in the round of talks organized by the American Chamber of Commerce (Amcham), within the framework of the Regional American Chamber of Commerce meeting that took place on 28 and 29 March in San Salvador.

Speaking before nearly 1,000 businessmen who conduct business in the United States, Howard stressed that another element working against NAFTA parity would be the "fatigue" prevailing among the U.S. negotiating team which has just concluded free trade negotiations with other countries, and is preparing to start trade talks with Chile.

"I believe they (the members of the U.S. negotiating team) have more on their minds now than NAFTA parity requests," Howard indicated.

As result of this, the U.S. Chamber of Commerce leader urged those present to think more in terms of "consolidating" existing trade agreements than in searching for new windows of access to the U.S. market.

At any rate, Howard's words did nothing to discourage the Central American Chambers of Commerce representatives who are preparing to travel to Washington in an attempt to convince congressmen and U.S. Commerce Department officials of the importance of granting NAFTA parity to Central American exporters.

The delegation will be composed mainly of businessmen currently conducting business with U.S. firms.

However, Deputy Economy Minister Rene Leon said he was not very confident that parity treatment would be achieved sometime this year.

"I believe this problem is not going to be solved until after the U.S. presidential elections," the official highlighted.

He added that the United States' international commercial agenda will focus more toward solving trade inconsistencies that have ensued during the past month, and not in achieving new and better access conditions to the U.S. market.

If the U.S. Senate or Congress decides to approve granting parity to Central American goods, Salvadoran exporters will be benefited with a major tax reduction when they enter the U.S. market, and will be exempted from the quotas to which they are currently being subjected.

However, if the request is denied, many firms, especially those involved in maquila [assembly plant sector] exports will be forced to shut down operations.

Ever since August 1995, when it was initially perceived that the parity petition would be rejected, some 35 maquiladoras [assembly plants] have ceased operations leaving close to 9,000 workers without jobs.

It has been estimated that the growth of the maquila will decline this year as opposed to last year when it recorded an annual growth of 50 percent.

"As long as we are unable to obtain parity conditions, the Central American maquila will continue experiencing problems," Leon stressed.

### Honduras

#### Honduras: Children Used by Smugglers To Enter U.S.

PA0504044896 Panama City ACAN in Spanish  
2052 GMT 4 Apr 96

[By Luis Alfredo Martinez]

[FBIS Translated Text] Tegucigalpa, 4 Apr (ACAN-EFE) — Smugglers of illegal aliens into the United States are using Honduran children, even newborn babies, as "human passports" to guarantee a trouble-free entrance into that country. According to sources from the government and private organizations working on protecting children, this trick, which at least Honduran authorities have uncovered, could explain the frequent kidnappings of minors in the country.

However, Human Rights Commissioner Leo Valladares unveiled a more disturbing tactic: "There are parents who rent their children to these coyotes" (illegal aliens smugglers) to be sent to the United States, along with illegal aliens because of economic reasons.

Immigration Director Angelina Ulloa pointed out that "the illegal aliens smugglers rent these children from Honduras and other countries." According to the Immigration Directorate, smugglers use children to guarantee that the illegal aliens will not be captured. They pretend to form families when they get into the United States, where the arrest of minors is illegal. The illegal aliens abandon these children once their objective is achieved.

It is urgent to coordinate efforts "to fight against this new type of illegal aliens smuggling," Ulloa affirmed during a recent news conference held by Valladares and Teodolinda Pineda, prosecutor for the protection of minors (fiscal de menores) of the Attorney General's Office. The official commented that smuggling of illegal aliens "seems to be more profitable and less risky than drug trafficking," adding that authorities are on the trail of several individuals involved in the use of children as "human passports."

In one month, Honduran immigration agents, during several operations conducted by the Aguas Calientes customs office, have rescued more than 30 Honduran children from illegal aliens and smugglers of illegal aliens, who were taking them to the United States. The children were with Hondurans or foreign individuals and lacked their parents' permission, which is compulsory according to Honduran laws, the immigration director pointed out.

Ulloa explained that the most recent release was that of Nolvía Lilibeth Martínez Duarte, who was barely two and who was being taken by a relative. Another case was that of five children from the same family whom two Honduran women were taking to Guatemala in a cab.

The Immigration Directorate, the human rights commissioner, the Office of the Prosecutor for the Protection of Minors, the National Board for Social Well-Being (JNBS), and private organizations have embarked on a plan to rescue 53 children who have been left at shelters in Brownsville, a city that borders Mexico, after being used as "human passports." The ages of these minors range from six months to 14 years, Ulloa maintained. She warned of the perils these children face during the trip from Honduras to the United States.

Four minors who were in Brownsville have already returned to Honduras; however, now it is believed that not all of them are Hondurans. Some of them have other nationalities.

The rescued children will remain in the hands of the JNBS, which Honduran First Lady Bessie Watson de Reina presides over, until their parents or other relatives are located.

Commissioner Valladares stressed that the cooperation of Mexican and Guatemalan human rights organizations will be requested to report Honduran minors whom smugglers of illegal aliens abandon in these countries.

The immigration director said that, in 1995, approximately 26,000 Hondurans who tried to illegally enter into the United States were returned from the borders by Guatemalan and Mexican authorities.

According to U.S. Consul Gregory Frost, the number of visa requests at the U.S. Embassy in Tegucigalpa has decreased by 40 percent.

Illegal aliens smuggling groups are using the Honduran territory to smuggle Indian nationals, Peruvians, Chinese, Ecuadorans, and other foreigners into the United States.

Honduras is one of the few Latin American countries that have harsh prison sentences for smuggling people.

U.S. sources in Honduras estimate that approximately 10,000 illegal aliens currently go through the region on their way to the United States.

## Panama

### Panama: Official Says Government Regrets Brown's Demise

PA0404192196 Panama City Telemetro Television Network in Spanish 1730 GMT 4 Apr 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] Acting Panamanian Foreign Minister Omar Jaen has said the government regrets the demise of U.S. Commerce Secretary Ronald Brown, which occurred when the aircraft in which he traveled crashed before landing. The high-level Panamanian official has said: We do not believe this tragedy will change the commercial and cooperation policy between our countries:

[Begin Jaen recording] We deeply regret what has happened. Mr. Brown was in Panama recently and met with high-level government authorities, as well as with Panamanian businessmen. The rapport developed during those meetings was excellent, broad, clear, and harmonious. We sincerely regret this tragedy. We believe, of course, U.S. policy toward Panama will not change. The policy of our governments remains the same. It is a policy of close friendship, cooperation, depth, and harmony. [end recording]

**Panama: Minister on Canal Administrator,  
President's Tour**

PA0404121496 Panama City Circuito RPC Television  
in Spanish 2300 GMT 2 Apr 96

[Report by Hugo Famania; from the "RPC Television News" newscast—passages within quotation marks are recorded]

[FBIS Translated Text] Alberto Aleman has just returned from the United States. He is Panama's candidate for the new Panama Canal administrator. Foreign Minister Gabriel Lewis Galindo has said that many doors at the civilian levels and at the Pentagon were opened to him while visiting Washington.

[Galindo] "Aleman is in the process of preparing all the paperwork that has to be submitted to the U.S. Congress for such a top-level position as his."

Before that, Aleman must pass a security clearance mandated by U.S. federal laws. After that, President Bill Clinton will propose him before Congress.

[Galindo] "The Congress will first ask him many questions and later ratify his appointment. Let us hope all this clears in the next 60 days."

Regarding the few benefits that, according to the opposition parties, the many presidential trips bring in, Galindo responded that there are none so blind as those who will not see.

[Galindo] "As tangible evidence, you have the Coco Solo container port, whose construction work is slated to begin on 15 May."

Add to that some concrete Korean investment proposals in the tourism sector and the industrial areas. These things are only possible by making official visits, Galindo said.

[Galindo] "Those trips constitute a big sacrifice. Just look at President Ernesto Perez Balladares' agenda for his European visit. It is no pleasure trip. The day I feel like traveling, I will do so as a private citizen."

**Panama: VP Takes Office During Perez Balladares' Tour**

PA0404185996 Panama City LA PRENSA in Spanish  
4 Apr 96 p A1

[Report by Ibeth Vega G.]

[FBIS Translated Text] Panama's First Vice President Tomas Gabriel Altamirano Duque took office yesterday as acting president during the two-week European tour of President Ernesto Perez Balladares to seek foreign investments.

"There will be no pardon this time," Altamirano Duque said upon taking office as acting president of the Republic, after mentioning the pardons granted last year to several politicians, businessmen, and journalists, a measure which sparked protests among the people.

Altamirano Duque said he will not grant pardons as he had done previously when he first held the post of acting president during the president's tour through several Latin American and Asian countries to attract foreign investments.

The Cabinet Council last week authorized Perez Balladares to leave the country to fulfill international obligations.

According to Subparagraph 2 of Constitutional Article 183, the Cabinet Council must authorize the executive to leave the country for a period longer than 10 days and shorter than 30.

The acting president said: "I want to use this honorable occasion to state once again my irrevocable determination to serve my country, both from this illustrious office and from the post I won through the popular vote, particularly the needy and underprivileged groups, which, much to my sorrow, constitute a large percentage of our population."

He added that the occasion was also opportune to "tell those who promote and spread lies and fallacies that we are moving along the right path. We are firm in our intent to provide better standards of living for our people and are working to earn respect and recognition for our country in the international community, something which will be reflected in the accomplishments we will reap and put at the service of our country."

**Panama: Nuevos Horizontes '96 Aids Bocas del Toro Province**

PA0404190096 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Apr 96 p B6

[FBIS Translated Text] At least 5,000 residents of the Canquintu and Quebrada Tula corregimiento in Chiriqui Grande District, Bocas del Toro Province, have received benefits of the health tour carried out between 25 March and 2 April by Bocas del Toro health officials and Southern Command members who are carrying out the civic program "Nuevos Horizontes '96."

During the health tour, personnel from both countries treated the Ngobe-Bugle Indian population in the areas of general medicine, pharmaceutical services, and dentistry.

The treatment included: Medical emergencies, the treatment of common diseases, maternity care, pap tests,

blood pressure tests, the treatment of injuries, and patient referrals. Also included were vaccinations, health education for the people, rural project surveys, and the evaluation of sanitary conditions of waterworks and latrines.

Highly trained personnel provided pharmaceutical services. Free medicines were distributed after patients were examined.

It is worth noting that the governments of Japan, Sweden, and the United States donated most of the medicines.

**Panama: President's European Tour Agenda Released**

PA0504004896 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Apr 96 p 20

[FBIS Translated Text] The Foreign Relations Ministry, through its Press Office, yesterday, 3 April, approved the agenda President Ernesto Perez Balladares will follow during his official tour of several European countries to promote foreign investments in our country. The tour starts on Tuesday, 9 April. Following is the agenda the Foreign Ministry handed out to the media:

**Brussels**

Tuesday, 9 April

Working luncheon with European and Panamanian businessmen.

Business Forum: "PANAMA'S STRATEGIES FOR THE YEAR 2000." A large group of European businessmen interested in investment opportunities Panama has to offer will attend this forum.

Reception hosted by President Perez Balladares for high-ranking authorities of the European Union Commission and European and Panamanian businessmen.

Wednesday, 10 April

**Antwerp**

Introduction to Panama to a group of shipowners and likely investors on investment opportunities in port infrastructure in reverted areas.

**Brussels**

Meeting with the president of the Belgian Companies Federation on Panama's investment prospects.

**Rome**

Thursday, 11 April

Working meeting with all the consul generals and honorary consuls accredited to the Italian Government

and those of neighboring countries to discuss Panama's merchant marine.

Meeting and luncheon at the Italian Chambers of Commerce Union with a large number of Italian businessmen and investors.

UN Food and Agriculture Organization Special Plenary Session to discuss issues pertaining to the upcoming World Food Summit with Panama.

Several activities, including a solemn session with the Council of Delegates and with the Italian-Latin American Institute.

Reception hosted by President Perez Balladares to honor high-ranking officials of the Italian Government and major businessmen.

Friday, 12 April

Business seminar by Confinustrias [expansion unknown] and ProPanama [expansion unknown] to promote investment opportunities in Panama.

**Paris**

Monday, 15 April

Meeting and breakfast at the Chamber of Commerce and Industries of Paris with businessmen, industrialists, tradesmen, and bankers to promote investments in Panama.

Meeting/luncheon at the French-Panamanian Chamber of Commerce.

Meetings with Panamanian and French officials and businessmen.

Reception hosted by the Latin American House of Paris in honor of President Perez Balladares and his delegation.

Tuesday, 16 April

Business forum organized by the National French Board Council (CNPF) on investment opportunities in Panama. Key sectors of the French business world will attend this forum.

Luncheon hosted by ProPanama to honor business representatives of the port, tourist, and construction sectors.

Lecture by President Perez Balladares on "The Future of the Panama Canal" at the French International Relations Institute. Key sectors of France's diplomatic, business, and financial sectors will participate.

Wednesday, 17 April

Breakfast and act to sign the Agreement to Refinance the Commercial Debt of the Republic of Panama.

**Panama: Minister Says Government To Reorganize Banaico**

PA0504012096 Panama City EL PANAMA AMERICA in Spanish 4 Apr 96 p E8

[Article by Aquilino Ortega]

[FBIS Translated Text] Planning and Economic Policy Minister Guillermo Chapman yesterday said that the government will implement a reorganization plan for the Agro-Industrial and Commercial Bank of Panama, Inc. (Banaico). With regard to the special pension program, he noted that although a decision has not been made yet, it is under consideration.

Chapman also stressed the fact that for the first time in history, the attorney general is involved in the liquidation of a bank.

Chapman noted that the National Banking Commission [CBN] established the liquidation of Banaico — a decision that was appealed by the bank's presidency — thus, a reorganization plan proposed by the bank's clients was implemented.

He added that according to the law, the CBN should agree on the aforementioned plan until a decision over the appeal is made.

"For the first time in the history of the current banking law, the CBN has forwarded reports on a bank for the attorney general to investigate and decide whether there are grounds to bring to trial one or more of the bank's officials," said Chapman.

On the other hand, Chapman said that even the most impoverished Panamanian is paying taxes to benefit distinguished workers with the special pension program.

"This special pension program has many shortcomings, besides representing an important fiscal loss of approximately \$54 million that cannot be used for building schools or in other programs," said Chapman.

He stressed that the government has not yet decided whether to eliminate special pensions.

Chapman said that at present, we are considering the options. When the most appropriate option is selected, a consultation will be summoned to give it legal force.

**Panama: Reverted Areas' Maintenance, Necessary Funds**

PA0504041096 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Apr 96 p A7

[Report by Emilio Sinclair]

[FBIS Translated Text] Current maintenance of reverted areas costs \$20.3 million, but the Economic Evaluation of the Military Bases' Withdrawal notes that investment will tend to decrease.

A report on actual maintenance costs states that it currently totals \$20.8 million but the annual cost will total \$10.13 million between 2000 and 2004 (the first quinquennium).

In the second quinquennium, meaning between 2005 and 2009, the actual maintenance cost will total \$7.30 million, and it will total \$6.06 million between 2010 and 2014.

The evaluation reveals: "These maintenance costs have been distributed throughout the years so caretaking and maintenance expenses will proportionately decrease in the measure that areas to be reverted are used."

It also reveals that "the main topic to be discussed regarding maintenance costs deals with the fact that, if the ARI [Interoceanic Region Authority] is not given the funds, through budget allocations or through its own revenues, this would result in a loss of national revenues due to the economic deterioration of assets."

Also, the Economic Evaluation of the Military Bases' Withdrawal indicates that "it could be argued that financing the \$20 million (at 1995 prices) with taxes does not entail a great effort."

However, it adds, "the effort would be tantamount to generating additional fiscal revenues equivalent to a third of the ITBM [sales tax] (given the elasticity of supply and demand, it represents about two additional points in the rates); or the total personal income tax not deducted through payrolls; or 30 percent more than the tax on banana exports."

The evaluation prepared by economists Marcos A. Fernandez B. and Jose Galan Ponce also states that additional revenues for the maintenance of reverted areas "must be generated in a fiscal context that cannot be exactly predicted but that could be influenced by a slow growth of the economy in 1996 and a slightly higher growth, but not necessarily spectacular, in 1997-1999."

The evaluation continues by stating that "current expenditures will continue to increase automatically because

of the special laws and the deficits in the Complementary Fund and the Social Security Board;" but it warns that "perhaps the situation in this concern may improve with all the reforms."

It also asserts that "the servicing of the public debt with commercial banks will begin to increase considerably in 2000 and will require an additional adjustment to the current situation."

They state: "Given these circumstances, providing financial budgetary support for maintenance activities does not seem feasible. The goal may be achieved in the first years, meaning that the budget approved at the end of 1998 may allocate that amount of financial resources for 1999. It will seem much more difficult in subsequent years."

**Panama: Correction to Impact of U.S. Bases Leaving**

PA0104173996

The following correction pertains to the item headlined "Panama: Economic Impact of U.S. Bases Leaving," published in the 1 April Latin America DAILY REPORT, pages 32-33:

Page 33, column one, first full paragraph, only sentence make read ...would generate approximately 4,700 permanent jobs, close... (correcting figure)

## Argentina

### Argentina: 'Massive' Escape From Prison Not Ruled Out

PY0404151496 Buenos Aires TELAM in Spanish  
1209 GMT 4 Apr 96

[FBIS Translated Excerpt] La Plata, 4 Apr (TELAM) — More than 5,000 inmates at Buenos Aires Province penitentiaries refused to abandon their mutinous behavior and release the 27 persons they are holding hostage while they await the outcome of negotiations at Sierra Chica Penitentiary. Prison authorities have not ruled out the possibility that mutineers at the latter penitentiary will make an attempt to escape.

Sources close to the Buenos Aires Province Penitentiary System told TELAM that the total number of mutineers in all penitentiaries adds up to 5,067, adding that 27 persons are kept hostage and some 30 people, including prison wardens and inmates, have been wounded.

The sources explained: "The lifting of the mutinies depends on what happens at Sierra Chica Penitentiary, since inmates at Olmos, La Plata, Azul, and Dolores penitentiaries have reiterated that they will not put an end to the mutiny until a settlement is reached at Sierra Chica Penitentiary."

Prison authorities have pointed out that while the outcome of yesterday's negotiations with the mutinous inmates was awaited with expectation, they "do not rule out the possibility of a massive attempt at escaping." [passage omitted]

### Argentina: Sierra Chica Mutineers Threaten Explosives

PY0404153396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1320 GMT 4 Apr 96

[FBIS Translated Text] La Plata, 4 Apr (NA) — The leaders of the mutineers at Sierra Chica Penitentiary this morning threatened to detonate explosives in the event penitentiary authorities step up security measures.

In light of this threat, Prison Governor Omar Palacios ordered the evacuation of some 10 civilians who live in the neighboring area.

The inmates became entrenched in their position after learning that prison authorities had resolved to enhance security measures to protect the 17 persons the mutineers are holding hostage.

### Argentina: Santiago del Estero Penitentiary Inmates Strike

PY0404154596 Buenos Aires TELAM in Spanish  
1430 GMT 4 Apr 96

[FBIS Translated Text] Santiago del Estero, 4 Apr (TELAM) — Some 200 inmates at the Men's Penitentiary of Santiago del Estero Province went on hunger strike today to show their solidarity with the protests at other provinces' penitentiaries in demand of an expeditious settlement of prosecutions.

Penitentiary sources reported today that the strike action was led by a dozen "extremely dangerous" inmates held in wing No. 5 of the penitentiary, situated at 850 Alsina Avenue.

Criminal Judge Ramon Gomez, who went to the penitentiary to hold talks with the strikers, was given a petition in which the inmates state that "the protest will proceed in a peaceful manner and that no hostages will be taken."

The inmates remained entrenched on the roofs of the penitentiary amid persistent rain, demanding compliance with the "Two for One" Act [providing that two counts will be computed as one], the San Jose de Costa Rica pact, and the acceleration of criminal suits.

### Argentina: Caution Urged To Avoid 'Bloodbath' at Prisons

PY0404182796 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1500 GMT 4 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 4 Apr (NA) — Buenos Aires Province Governor Eduardo Duhalde today spoke in favor of "not making hasty decisions that may cause a bloodbath" at Buenos Aires Province penitentiaries, where there is no sign of a let-up in the mutiny crisis. Duhalde asserted that priority is given to "preserving the lives of the hostages and inmates."

The Buenos Aires Province governor opposed the idea of taking "the penitentiaries by storm because it would be an ill-advised and very dangerous move given the fact that inmates have staked their all." Duhalde was of the opinion that the solution to this problem "lies in carrying on with negotiations on the basis of a unification of inmates' demands."

Duhalde asserted that the information claiming that the number of murdered people has climbed to 20 "is erroneous." He termed reports about the burning of inmates' corpses by the mutineers following clashes with other inmates "macabre rumors."

The governor, speaking on the radio, underscored that his administration will "exhaust all means of persuasion

and negotiation with mutineers" because "we do not want to risk the lives of hostages and inmates."

Duhalde stated that he had given orders to exercise "extreme caution" when dealing with this problem. He nonetheless made it clear that "repression is always in the cards because it all depends on how mutineers react. If they start executing hostages, the Penitentiary Service will have to intervene."

The Buenos Aires Province chief executive declared that "there is feverish nervousness among security forces and inmates" at Sierra Chica Penitentiary (Olavarria), adding that "potentially dramatic events are occurring there."

Duhalde put the mutinies down to "the influence that certain criminals have on the rest of inmates," noting that this is a case "of heavyweight inmates who belonged to important criminal gangs that operated in Buenos Aires Province."

The governor recalled that two or three months ago, intelligence services from the Buenos Aires Province Penitentiary System sounded the alert that inmates who belonged to important criminal gangs "were planning to break out of" the penitentiaries where they are being held in custody.

Duhalde confirmed that "the situation has, for some time, been worrisome. Trotyl was discovered in penitentiaries two months ago. This is the first time such a thing has happened in the entire history of Argentine penitentiaries. The entry of large-caliber weapons was detected one and a half months ago."

The governor complained that the media "act with utter frivolity" in reporting about the progress of the conflict generated by mutinies at provincial penitentiaries. Duhalde underlined that the mutineers "are not heroes, but rather very dangerous criminals who only seek to break out of the penitentiary." [passage omitted]

#### **Argentina: Inmates Riot, Take Policemen Hostage in Trelew**

PY0504003796 Buenos Aires TELAM in Spanish  
2239 GMT 4 Apr 96

[FBIS Translated Text] Rawson, 4 Apr (TELAM) — Seventy inmates of the Trelew Prison in Chubut Province this afternoon rioted and took four policemen hostage in support of the demands made by fellow inmates in other prisons. The Trelew Prison is the first one of the interior of Argentina that is joining the wave of riots carried out by inmates to vent their grievances.

#### **Argentina: New Chief of Cabinet Interviewed**

PY0504021196 Buenos Aires CLARIN in Spanish  
31 Mar 96 p 2

[Excerpts of interview with new Chief of Cabinet Jorge Rodriguez by Ceferino Reato in La Rioja on 30 March]

[FBIS Translated Excerpt] [Reato] What did you feel when you learned that Eduardo Bauza resigned from his post due to a health condition?

[Rodriguez] I very much regretted the separation of a person like Bauza. He and the president, of course, have always had a word of encouragement and advice for our work. We usually consulted with him when we had problems and we always found his support and a necessary and tranquilizing word. Bauza has always tried to seek consensus and promote dialogue. I really felt sorry when I read in the newspapers that his resignation was imminent.

[Reato] At that time, who did you think would be named to replace Bauza?

[Rodriguez] The only thing I had in mind was that whatever the president's decision, you could find positive points to justify his choice.

[Reato] But some names had been suggested...

[Rodriguez] Carlos Corach was, due to his closeness with Bauza, the most likely candidate. Another possibility was Foreign Minister Guido Di Tella. It could also have been someone else, but I did not stop to think about it.

[Reato] Why do you think the president chose you?

[Rodriguez] The president said that I and Bauza have similar personal characteristics, although I always say that each person has its own style and gives its personal imprint to the job because we are all different. The same thing happens, for instance, with Susana Decibe, who will take over the Education Ministry. I worked with her on education reform, but I am sure that beyond the fact that she will continue our work, I am sure that her administration will have her own style. In my case, I will maintain Bauza's team because his team members have a very interesting professional and political experience.

[Reato] What are the differences between you and Bauza?

[Rodriguez] As a start, I have less experience working close to the president. Bauza has worked with the president for the past 25 years. I am more or less close to the president since I took over as deputy, seven years ago. These are not very few years, but there is a

great difference between Bauza's work and my work. We have also operated in different professional circles.

[Reato] Does Bauza leave a very wide political empty space, or is he replaceable?

[Rodriguez] No appointed official is irreplaceable.

[Reato] How do you see your job as coordinator of the work of the other ministers?

[Rodriguez] There are two essential tasks in a coordinator's job. Well, perhaps there are many more essential tasks, but working on the basis of the presidents' instructions, one important task will be the second state reform and the search, through dialogue with those involved in production and labor, of elements to overcome this crisis that has affected us as a consequence of the tequila effect.

[Reato] Your job involves the coordination of the other ministers' action and sometimes, in the discharge of your duties you have to give them orders. Do you picture yourself giving orders to Economy Minister Domingo Cavallo?

[Rodriguez] Let us look at the situation from a different angle. I have never seen Dr. Bauza giving orders to anybody. He did not even venture suggestions. Bauza adopted the same respectful attitude the president has exhibited, allowing total freedom of action and trying to foster dialogue and exchange of opinions, from which ideas emanated.

[Reato] Well yes, but a chief must be able to give orders. Do you have the makings of a chief?

[Rodriguez] Yes, I do have the makings of a chief. I am a moderate man who favors dialogue, and yet I am no softie. I am perfectly able to coordinate all ministers.

[Reato] How do you assess your relationship with Cavallo?

[Rodriguez] I have had a good relationship with Cavallo so far, but as all other ministers, Cavallo is the person with whom I have had more arguments over a normal subject, namely the budget. In the face of budget cutback requests, I have always defended and voiced the need for the effort in the education area to be balanced. I can cite this achievement: I have managed — with the president's support of course — to obtain an increase in the budget to be appropriated this year for the Education Ministry, which is the only one who will obtain more funds.

[Reato] Do you remember the last cabinet meeting, when President Menem and Minister Cavallo had a strong argument over negotiations with businessmen and trade unionists?

[Rodriguez] Yes, of course.

[Reato] When you are installed as chief of cabinet, will you exercise a moderating influence on this type of quarrels or will you let Cavallo argue directly with the president?

[Rodriguez] I am going to try to exercise a moderating influence on those situations.

[Reato] Would you try to put limits on Cavallo?

[Rodriguez] Not only on him, but on anyone if need be.

[Reato] Have you always been a Peronist?

[Rodriguez] Yes, always. I was under secretary for agricultural affairs under [La Pampa Governor Ruben Hugo] Marin's administration and minister of culture and education under [former La Pampa Governor] Nestor Ahuad in my own province, La Pampa. I was subsequently federal deputy and minister. I went into politics as a militant of the Peronist Youth. I was also a union leader at the INTA [National Institute of Agricultural Technology] and member of the CGT [General Confederation of Labor] and of the 62 Organizations.

[Reato] How do you envisage your relations with trade unions?

[Rodriguez] I have had very good relations with many trade union leaders and at one time, I brought Governor Marin in contact with several trade unionists. I am on speaking terms with [Justicialist Party Press Secretary] Antonio Cassia, [Business Employees Union Leader] Armando Cavalieri, [Construction Workers Union Leader] Gerardo Martinez, Carlos Alderete, Oscar Lezcano [Light and Power Union secretary general]... I do not see any problems here. The same holds true concerning my relations with businessmen, Congress, and opposition parties, with which we will maintain the same open dialogue in which Dr. Bauza was involved.

[Reato] What dangers do you foresee in your new position?

[Rodriguez] Honestly, I do not envisage any problems. [passage omitted]

## Brazil

### Brazil: Rebels Escape Goiania Prison With Hostages, Arms

PY0404011696 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 3 Apr 96

[FBIS Translated Text] The rebellion at Aparecida Prison in Goiania ended early this evening. Prisoners and hostages have been driving on the highway for

almost two hours. The escaping prisoners took six hostages, money, and arms with them.

The negotiations, expectations, and tension have lasted seven days. The details of the escape were agreed upon last night. Following this, new groups of hostages were released.

Early this morning, the rebels surprised everybody by releasing four hostages. This clip, which was made by a civil policeman, shows that each released hostage — among them prison director Nicola Limoge — was exchanged for a car.

At night, the prisoners prepared the cars for the escape. Six other hostages were released in the morning.

During a press conference held in the afternoon, Leonardo Pareja — involved in abduction and holdups — said the escape plan was ready. The 40 prisoners would leave at 2100. Yet despite the agreement, the eight-car motorcade carrying the rebels and six hostages left the prison at 1830, led by a federal police car.

All cars had their glasses covered by newspapers and blankets, in an effort to hide the identity of the people inside the cars.

Moving at a low speed, the cars followed the prison road to BR-153 highway, which joins Goiás and Minas Gerais.

We now have a live report from Aparecida Prison by journalist Lilia Telles.

[Begin Telles recording] The official list of the hostages who were taken by the escaping prisoners has not yet been released. Among the hostages are Public Security Secretary Antonio Lourenco, tribunal chairman Homero Sabino, and court director Gilberto Marco.

The police promised the rebels that the pursuance would begin only 10 hours after they left the prison. An agreement was also reached with the police of the states bordering with Goiás, to begin the pursuance only after all the hostages were released.

The latest report says that the rebels' cars are no longer together and that they have changed their initial route. Five of them have already crossed a highway police checkpoint on BR-153 highway, which goes to Brasília and northern Brazil.

Abductor Leonardo Pareja said he would accompany the prisoners only to a specific place and that he would then return to the prison to serve the rest of his imprisonment term of nine years and six months. The police, however, are not sure whether he was telling the truth. [end recording]

### **Brazil: Police Rescue Five Hostages; 34 Prisoners at Large**

*PY0404172196 Brasília Radio Nacional da Amazonia Network in Portuguese 1000 GMT 4 Apr 96*

[Relay from Goiânia by reporter (Alcino Araújo)]

[FBIS Translated Text] After seven days of anguish, fear and despair, the rebellion at the Goiás Agro-industrial Penitentiary Center, Cebaigo, ended yesterday at 1825 with the escape of 43 armed prisoners who took six hostages in eight cars. According to a report issued today by the Military Police operations command, two of the escaped prisoners were left on foot in Goiânia.

The cars quickly sped away from the Cebaigo building toward the BR-153 road, some headed for Goiás-Minas Gerais while others headed for the Federal District and still others for the northern Goiás region.

In Anápolis the escaping prisoners exchanged three vehicles for the release of one hostage, Lieutenant Colonel (Juares de Albuquerque).

Another group was halted at a police checkpoint in Brasília. An escaping prisoner broke through by pointing his gun at the police commander. A short distance further ahead, the car carrying escaping prisoners and Appellant Homero Sabino Defreitas, president of the Goiás Court of Justice, crashed into an 30-metric ton Army armored vehicle. As a result of this, the prisoners surrendered without posing any resistance. Homero Sabino Defreitas, who sustained light injuries, was treated at the Brasília military hospital and returned to Goiânia before dawn today.

Near Porangatu, in the northern Goiás region, another group of escaping prisoners tried to perpetrate a holdup. The victim, who by coincidence is an Army lieutenant, killed two of the escaping prisoners. In view of the confusion, Judge Fabio Cristovam Campos de Farias, who was also held hostage, took advantage of the situation to escape.

In addition, escaping prisoner Leonardo Pareja, who tried to enter Tocantins State at dawn today, was welcomed with bullets by the Tocantins police. Pareja returned to Porangatu, in the northern region, and surrendered to the police before the presence of a judge at the Porangatu Military Police barracks. According to the Goiânia Military Police, Pareja will be held in detention at a local Military Police barracks.

To date, five of the six hostages taken by the escaping prisoners have already been released: Homero Sabino Defreitas, president of the Goiás Court of Justice; Aldo Guilherme Sabino Defreitas, son of the former, who was taken hostage by Pareja; Judge Fabio Cristovam

Campos de Farias; Lieutenant Colonel (Juares de Albuquerque); and Antonio Lorenzo Filho, the Goias public security secretary, who telephoned his relatives this morning at 0630 to inform them that he had been released and that he is well. He is in Santa Teresinha, in the northern region of the state. In a few minutes, a state government airplane will be leaving from the Santa Genoveva airport, in Goiania, to bring him back to Goiania.

The only one still to be rescued is Appellant Gilberto Marques Filho, director of the Goiania Forum. The police still have no clues as to his whereabouts.

Of the 43 escaped prisoners, six are under arrest in Brasilia and will be transferred to Goiania; two were killed in Porangatu, according to a police report; and prisoner Leonardo Pareja surrendered to the police. Thus 34 escaped prisoners remain at large.

The police will hold another meeting within a couple of minutes to draft new plans to try to capture the prisoners still at large.

### Chile

#### Chile: 3d Round of Trade Negotiations Held With Canada

PY0504001696 Santiago EL MERCURIO in Spanish  
29 Mar 96 p c3

[By Rodrigo Miranda]

[FBIS Translated Text] Vina del Mar — Chilean and Canadian negotiating teams yesterday started the third round of negotiations at the Miramar Hotel in Vina del Mar. This round of negotiations, which seeks to achieve a bilateral free trade treaty, is scheduled to close on 4 April.

During today's meeting, the negotiating team only addressed international environment regulations and Chilean environment legislation.

The Chilean delegation is headed by Juan Gabriel Valdes, director of the Foreign Ministry International Affairs Department; and it is comprised of about 50 professionals from diverse public and private offices such as the Foreign Ministry, the Central Bank, the National Environment Committee, the National Customs Office, and Codelco [Copper Corporation], among others.

In addition, the Canadian negotiating team is headed by Keith Christie, from the Foreign Trade and Commerce Ministry; and comprised of 30 members who will join the different discussion groups that will meet this week.

The round of negotiations started in January in Santiago and continued in February in Ottawa, Canada. The main objective is to achieve a free trade agreement that lifts

customs tariffs on some products, agreements on the environment, labor conditions, services, investments, access to markets, unfair competition, temporary entry of businessmen and national regulations.

At the same time a group of Chilean and Canadian lawyers will meet to discuss legal issues. They are in charge of studying the existence of contradictory legislation in case an eventual international agreement is achieved. These teams are to submit their conclusions to the chiefs of their respective negotiating teams — Valdes and Christie — who must compare their conclusions with those issued by the working committees. Only after this stage has been fulfilled, a draft text will be outlined to continue the negotiations.

The negotiating teams are using as a basis for discussion the NAFTA agreement approved by the United States, Mexico, and Canada. This agreement will be readapted to conform a Chilean-Canadian bilateral agreement. The procedure followed is to discuss each NAFTA article and identify those that Chile disagrees with until a consensus is achieved over each chapter.

Juan Gabriel Valdes explained that due to the indefinite suspension of Chilean-U.S. NAFTA negotiations — due to the U.S. Congress' refusal to approve the "fast track" [two previous words in English] to President Bill Clinton — the NAFTA agreement is being used as a guide for the negotiations with Canada.

He asserted that if an agreement is achieved with Canada, it will not be along the same terms of the NAFTA agreement because "the latter encompasses three countries and the first is only a bilateral agreement."

Valdes said that the agreement with Canada will include temporary articles in view of Chile's eventual entry in NAFTA.

Valdes added that during this third round, Chile submitted necessary documentation in case of eventual reservations Chile may have regarding some service and investment areas. Nevertheless, he expressed his optimism about these negotiations because they are being conducted "in the proper manner."

He said: "We have already achieved consensus on some issues but while this is not included in a specific legal text approved by our lawyers we are in no condition to make an announcement about an agreement. The basic principle we uphold during these negotiations is: "While there is no full agreement there is no agreement."

He added that he held a meeting with Andres Concha, the representative of the Businessmen Confederation, who handed him the first offer made by the business

sector which has been studied by the government. Valdes believes that next week Canadian negotiators will be handed a definitive report on the position of the Chilean business sector.

Valdes also said that some meetings have already been held with labor groups, through the United Labor Confederation (CUT). He added that labor has expressed any major opposition to the current bilateral negotiations held with the Canadians.

Valdes announced that the next meeting will be held in April in Canada. He also expressed his hope that this agreement will be achieved soon. He said: "Up to now we have not come up with any major conflictive issues that have blocked the negotiations."

#### **Chile: Need To Perfect Democratic Institutions Noted**

PY0504015896 Buenos Aires CLARIN in Spanish  
30 Mar 96 p 30

[Interview with Chilean Public Works Minister Ricardo Lagos by Oscar Raul Cardoso on the occasion of Lagos' visit to Buenos Aires to attend the IDB conference; date not given]

[FBIS Translated Text] [Cardoso] President Eduardo Frei's new initiative to reform the Constitution seems to have an uncertain future. What is failing in this vital issue to achieve democratic stability?

[Lagos] In a speech he addressed to the nation, the president explained the obvious: We have imperfect democratic institutions. He spoke of submitting a bill to amend the Constitution because the government needs a new framework [contenido]. Many said that this was a courageous thing to do because it is a very important political initiative that lacks certain basic support. The problems derived from this clearly evidenced the prevalence of the imperfections affecting these democratic institutions because it is a fact that Frei represents an administration that was elected by 60 percent of voters. How is it possible that such a solid coalition is unable to amend the Constitution? How is it possible that this 60 percent can be blocked by a minority which resorts to regulations approved by a dictatorship that enable it to ignore this percentage?

[Cardoso] You are answering me with questions. Are you saying that the other 40 percent is the one which exercises real power?

[Lagos] There are authoritarian organizations within the democratic system that we inherited from the dictatorship and which until now have not been amended. Today, Chile has two rights. One that is stubbornly clasped to stagnation and the other which supports democratic

practices. Nevertheless, in order to win democratic credibility the latter must cut the umbilical cord with those groups that associate it with a nondemocratic past.

[Cardoso] How much power can these two rightist groups wield? What is the extent of their capability?

[Lagos] Andres Allamand (National Renewal [RN] Party president) the leader of the right that upholds a democratic opening has obtained a better position in all opinion polls. Chile is currently experiencing a similar situation to that experienced in Spain in the 1970's when the right was represented by Blas Pinar and Manuel Fraga Iribarren. Coming from the heart of Franco movement, Fraga promoted a renewal and paved the way for a Jose Maria Aznar. It seems that in Chile, it is the people like Blas Pinar who are part of the majority of the practical faction of the right. In view of this, it seems that Chile will not be lucky enough to have a right with a democratic tradition. Therefore, the CPPD [Coalition of Parties for Democracy] will be the only real government alternative for many years to come.

[Cardoso] After spending more than a generation shattering their states, Chile and Argentina are today compelled to rebuild them. How do you think this task will be done?

[Lagos] This falls within the framework of the Chile-Mercosur [Common Market of the South] discussion. General international trade and economic guidelines, in fact, are the expression of large political and conglomerate forces. The international market is a reality but there is a political force behind this market, there are international negotiations.

[Cardoso] It seems that Mercosur is currently more important for Chile.

[Lagos] Chile has tremendously diversified trade. Somewhere between 20 to 22 percent of our exports go to the United States while 30 percent goes to South East Asia. I believe that it is to our advantage to achieve free trade agreements with as many economic blocs as possible. Nevertheless, our ties with Mercosur are not only because of free trade. It has to do with regional and political identity. There is also an additional political variable that has to do with our sense of belonging.

## Colombia

### Colombia: U.S. 'Great Team' for Samper 'Problem' Viewed

PA0404140896 Santa Fe de Bogota EL  
ESPECTADOR in Spanish 31 Mar 96 p A8

[Article by Ramon Jimeno]

[FBIS Translated Text] Because no one seems to understand President Ernesto Samper's reason for prolonging the crisis and the uncertainty—isolating the country, polarizing the people, consolidating narco-democracy, frightening away investments, restoring the government subsidies—it helps to look to the north, to the policeman of the north who will ultimately decide Samper's fate and the penalty for and cost to the country.

Not even the appointment of General Barry McCaffrey as antidrug czar has captured the president's attention even though McCaffrey knows the region and personifies the toughest position regarding the drug issue. McCaffrey represents the last affirmation of Clinton's retreat from his original policy to end drug trafficking; that is, prevention.

The extremists' moral view has prevailed by demonstrating that drug consumption and drug related street crimes are again on the rise. Although drugs are a secondary issue in the presidential campaign, the extreme right wing likes to address the issue, because it worries the parents of millions of adolescents. Therefore, Clinton has preferred to preempt the issue by leaving the decisions to the hard-liners, and they are truly hard-liners. General McCaffrey and Richard Gelbard make a great couple, to which we may add some CIA offices, and, of course, the DEA and other state institutions. One could say that the United States has a great team to face the small problem President Samper is creating south of Panama.

Samper has a dismembered team, and his closest followers are immersed in lifesaving formulas. Thus, the contest appears to be very unequal.

Now, since analysts of various economic groups have begun to measure the gravity of the conflict with the northern power, a redefining of positions is taking place. Pedro Gomez Barrero finds himself in an uncomfortable position because of his cooperation with Samper during the campaign.

Regarding the Ardila Lulle Organization, the distance that managers of some of his companies are keeping from the administration is notorious. Statements by the president of Coltejer [Colombian Textile Company] during its annual assembly have exposed the administration's weakness before the boldness of certain individ-

uals who use the textile industry as a cover to launder large sums of money. The manner in which RCN reports the news undoubtedly expresses a concern for a worsening of the problems.

If one improvidently observes two other large groups, the social and Antioquia union groups, their critical position toward President Samper is equally as eloquent. The president of the National Chocolate Company made a very critical analysis of the consequences of the crisis during the annual assembly.

The Santo Domingo Group's support of the Samper presidential campaign and its current support for the president is well known, but little has been said of the pressure exerted by the United States to make the leader of this conglomerate change his position. Another major leaguer, Luis Carlos Sarmiento, maintains his position with reserve and discretion.

In conclusion, Samper's support from the dark side of his Social Pact is also deteriorating thanks to tough signals U.S. Ambassador Myles Frechette is sending and the specific actions taken by the rival team. What happens after Easter regarding the fate of the three ministers involved in the process and the other counselors that will be summoned for questioning could be the opportune time for Samper to realize that it will be difficult to wait to be absolved by Congress to catch his umpteenth wind.

McCaffrey, Gelbard, and the entire northern team are determined to show Colombia that you do not play around with the United States. Clinton has allowed them to act, and the new model of imperialism has fully displayed the patience of a power that knows how to wait.

### Colombia: Court Rules Valdivieso Not To Be Dismissed

PA0404204796 Santa Fe de Bogota Emisoras Caracol  
Network in Spanish 1700 GMT 2 Apr 96

[From "The Midday Newscast"]

[FBIS Translated Text] The Constitutional Court has dissipated fears that the Attorney General's Office could dismiss Prosecutor General Alfonso Valdivieso, and warned that the official may only be disciplined by Congress' Accusation Committee. The Court also indicated that procedures for a possible trial against Valdivieso are exactly the same as the ones being followed for the president of the Republic.

**Colombia: Prominent Business Leader To Testify**

96SM0206A Santa Fe de Bogota EL TIEMPO  
in Spanish 3 Apr 96

[Received via Internet]

[FBIS Translated Text] The "triumvirate" of investigators will extend the checking of what Botero has been claiming with regard to the campaign's financial activities.

Were Fernando Botero Zea's accounts used to manipulate money from the Samper campaign abroad, or were they not?

In his unsworn statement made to the Prosecutor General's Office, and in press statements, the ex-defense minister has maintained that they were. He also has said that the drafts sent abroad made it possible to conceal evidence of violation of the spending limits legally established for the financing.

According to Botero, on a certain occasion, a meeting was held with the then candidate, Ernesto Samper, in the presence of the business leader, Augusto Lopez Valencia, to decide that \$1 million would go into coded accounts established in New York.

For that reason, Representative Francisco Canossa, a member of the House of Representatives Investigation and Accusations Commission, formally requested that the "triumvirate" investigating the president call upon the leader of the Santo Domingo Group to make a statement.

The congressmen told those conducting the process that, since Lopez is a person with widespread credibility in the eyes of the country, his testimony would be essential for revealing the truth.

Representatives Rodrigo Arcila and Carlos Arredondo, two of the investigators, have expressed approval for the proposed hearing to be held. Heyne Mogollon, chairman of the commission, has not yet voiced an opinion.

Mogollon advocates closing the investigation of Samper's conduct within a period not exceeding two weeks, because he thinks that the substantial evidence has already been submitted.

His two colleagues in the "triumvirate" favor the extension of time periods, and even advocate waiting until the ministers of interior, foreign affairs, and communications finish making their unsworn statements to the Prosecutor General's Office, so that their versions may be used as evidence, transferred to the commission.

**Reply From Nieto**

Meanwhile, the ex-member of the Constituent Assembly, Luis Guillermo Nieto Roa, Samper's defender, sent a letter to the magazine SEMANA yesterday, in which he replies to the principal assertions made by Botero in an interview granted to that publication.

Some of Nieto's principal statements are the following:

- "Anyone would find it odd that the 'painter's son,' as is identified on the so-called 'narco-cassette,' did not sell any of his father's paintings before or after the electoral contest. Rather, he did so, by mere coincidence, only during the campaign, especially during the final days, when the work is exhausting for a general director."
- He says that Botero uses an "ingenuous alibi," when he claims that an operation such as that of requesting money from the cartels could not have been carried out without the candidate's consent.
- "If the Cali cartel, in violation of the Code of Ethics, was requested to give money, supposedly for the campaign, but for a different purpose, that obviously must have been done without the knowledge of the candidate and the other directors."
- He claims it to be untrue that Botero turned over dollars for advertising expenses to Rodrigo Pardo, because Botero himself, in previous sworn statements, had asserted that he never handled dollars. He claimed to have converted the donations abroad into pesos through transactions in Panama and in Bank of Colombia checks, which he delivered to Santiago Medina for the regional treasuries.

**Colombia: 1996 Economic Projections Scaled Back**

96SM0205A Santa Fe de Bogota EL TIEMPO  
in Spanish 3 Apr 96

[Received via Internet]

[FBIS Translated Text] The director of the National Department of Planning (DNP), Jose Antonio Ocampo, admitted that there are signs of a slowdown in the economy. The entity will cut back its growth projection for 1996, which currently stands at 4.9 percent.

Ocampo blamed high interest rates for the slowdown. He claimed that the borrowing rates should decline to 30 percent, while the lending rates should be set at 40 percent annually.

On the other hand, he revealed that the estimated growth of the gross domestic product (GDP) for 1995 will be revised, and will stand between 5.4 and 5.5 percent.

[EL TIEMPO] Is the DNP maintaining its growth projection of 4.9 percent for 1996, despite the symptoms of a slowdown?

[Ocampo] We have not yet reconsidered the growth figure for this year because, although a slowdown is being noticed, there are no exact data in this respect. Now then, if we had a point less growth than in 1995, the result would not be a disaster; on the contrary, it would still be quite positive.

We believe that the growth rate set for this year is high, although the projection may be reconsidered at some point. However, there are not yet any figures on the subject, and everything being said is speculation.

[EL TIEMPO] To what factors do you attribute the slowdown in the economy?

[Ocampo] The fundamental cause is high interest rates, which should drop to the levels posted in the second half of last year: that is, an average of 40 percent for lending rates and 30 percent for borrowing rates. Although the latter would still be a high level, it would be far lower than the current figure. Other factors are the decline in the construction cycle, and the lesser growth in public spending. In real terms, the national government's spending has been rising at 4.0 or 5.0 percent.

[EL TIEMPO] And so, what has the impact of the political crisis been?

[Ocampo] I believe that there is more pessimism in words than in deeds.

[EL TIEMPO] Do you have a definitive figure now for the economic growth in 1995?

[Ocampo] The DANE [National Administrative Department of Statistics] is revising the figures. The GDP growth in 1995 will stand between 5.4 and 5.5 percent: higher than the preliminary figure of 5.28 percent that we submitted. This increase is due to our underestimating the performance of industry and coffee.

[EL TIEMPO] The Commission on Public Spending claimed that the Social Leap, as conceived, is unfeasible. Will an additional cutback be made in spending?

[Ocampo] For this year, we shall make the cutback in investment agreed upon, totaling 300 billion pesos. If we consider the fact that, last year, a scaled back budget was submitted to Congress, the total adjustment would amount to 1 trillion pesos. My estimate is that, owing to funding problems, the Social Leap funds will have to be cut between 3 and 3.5 trillion pesos, which is less than 10 percent of the total.

I must explain that the government has not been irresponsible in handling finances. The fact is that the commission has agreed with many of our proposals. And there is a memorandum to the effect that the amendments to the law on transfers must be submitted as of 20 July.

[EL TIEMPO] Why did you come up short in the estimates on income?

[Ocampo] In the first place, the tax collections have been lower than estimated. Last year, the low collection rates for income taxes caught us by surprise. Another factor is the public sector's accounts payable because, with the new Organic Law, the control over the payments system has been changed. The entities can execute, and leave accounts payable for the following year. These accounts total over 1 trillion pesos.

## Peru

### Peru: Tudela Disagrees With MOMEPA on Border Violations

PY0404190396 Madrid EFE in Spanish  
1654 GMT 4 Apr 96

[FBIS Translated Excerpt] Lima, 4 Apr (EFE) — Peruvian Foreign Minister Francisco Tudela stated that he believes the demilitarized zone established on the common Ecuadoran-Peruvian border has been violated. In so doing, Tudela disagreed with the Ecuador-Peru Military Observers Mission [MOMEPA] comprised of representatives from guarantor countries, which said otherwise on 2 April.

In a statement to the media that was disclosed today in Lima, Tudela said that what the MOMEPA "has described as the sporadic presence of small groups of men in fact constitutes a violation of the demilitarized zone." [passage omitted]

After expressing his concern over the MOMEPA's position in this regard, Tudela said the communique issued by MOMEPA was "distressing" and that it is being studied.

In addition, Tudela reported that a bilateral commission will be established in the near future to study and verify military acquisitions. This commission will be established within the framework of the process of peace and normalization of ties that the two countries have implemented in view of the 1995 war they waged over a border dispute.

Tudela said that delegations from the Peruvian and Ecuadoran defense ministries will hold a meeting to discuss the establishment of this commission that

will allow the verification and supervision of military balances.

**Peru: Opposition Says Program To Cause Social Conflicts**

PY0504035696 Madrid EFE in Spanish  
1919 GMT 4 Apr 96

[FBIS Translated Text] Lima, 4 Apr (EFE) — The Peruvian political opposition believes that the economic program of the new government team will lead to unpopular measures that will amplify the social conflicts.

According to new Prime Minister Alberto Pandolfi, his cabinet will strengthen the structural reforms of the liberal program implemented by the administration of President Alberto Fujimori and will expedite the process for privatizing public companies.

The Peruvian opposition believes that the government policy will amplify the recession and reduce salaries and jobs, which are the problems considered to be the result of the liberal economic program.

Leftist Congressman Gustavo Mohme said today, after the remarks made by Prime Minister Pandolfi, that the hardening of the position advocating privatization and the liberal policy will lead to social conflicts "because the measures will not be popular."

Mohme, who belongs to the Union for Peru Movement (UPP), which is headed by Javier Perez de Cuellar, said that the new economic program follows the policy of the IMF, which next week will resume negotiations with Peru to approve the economic plan.

Mohme also said that the changes made in the ministerial team, in which seven ministers left and only five were appointed, represent a victory for those who advocate a "hard" stand in the inner struggle that analysts said existed in the previous cabinet.

United Left Congressman Javier Diez Canseco labeled the cabinet headed by Pandolfi as "IMF supporters at any price."

Diez Canseco added that the new measures "will harden the economic policy, drastically reduce public spending, freeze public jobs, reduce exports, and push the privatizations (...) as a means to pay the foreign debt."

Opposition Congressman Jose Barba of the Democratic Coordinating Movement said that a cabinet "in the image" of the IMF was created.

Jorge del Castillo of the American Popular Revolutionary Alliance (APRA) said that he expects from the ministerial team a "reaffirmation of the neoliberal policy that is against the interests of the people because it will bring more hunger, unemployment, tuberculosis, and common crimes due to the shortage of work."

Anel Townsend of the UPP said that the privatization program will be strengthened in opposition to "the wish of the people." Townsend called for more jobs "to improve the poor salaries and increase the miserable pension of people on retirement."

Henry Pease, who also belongs to the UPP, said that the presence of Pandolfi, who was president of the special privatization committees of several public companies, including "PetroPeru," means that priority will be given to the privatizations.

Pease added: "This means that thousands of workers will be thrown into the streets and this will create hunger and illness."

According to various commentators, the Peruvian economic program has as its weak points the "deficit" in the account of the balance of payment and higher inflation.

Regarding the social aspect, the result of the economic program can be seen in the shortage of work and price increases of basic products and this is why the program has been disapproved by various sectors of the population.

The government team said, however, that there will be no changes in the economic program, that the reforms will be strengthened.

Government sources said that Economy and Finance Minister Jorge Camet, who was confirmed in this position after the crisis unleashed by Dante Cordova, is ready to implement a strict fiscal discipline.

According to experts, the ministerial team will relaunch the economic program and to do this it must take control over inflation, close the "deficit" in the trade balance, increase exports, and expedite the privatization of state companies.

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